



Missouri
Department of
Natural Resources

**State Oil and Gas Council
Nevada Community Center
200 North Ash Street
Nevada, Mo.
October 16, 2012**

Open Session Minutes

MEMBERS PRESENT: Mr. John Madras, Clean Water Commission and Chairman; Mr. David Bleakley, Missouri Independent Oil and Gas Association; Mr. Joe Gillman, Division of Geology and Land Survey; Mr. Donald Ransom, Missouri Department of Economic Development; Mr. Derick Miles, Missouri Public Service Commission

MEMBERS ABSENT: Mr. William Luebbert, Public Member; Dr. Shari Dunn-Norman, Missouri University of Science and Technology and Vice Chairwoman

LEGAL COUNSEL: Mr. Don Willoh, Assistant Attorney General

STAFF PRESENT: Ms. Carey Bridges, Geological Survey Program Director; Mr. Chris Vierrether, Economic Geology Unit Chief; Ms. Connie Edwards, Wellhead Processing Unit Chief and acting Secretary; Ms. Hylan Beydler, DGLS Information Officer; Steven Kratky, Missouri Department of Natural Resources' General Counsel

GUESTS PRESENT: Jeff Steinke, Warrior Operating Company Inc.; Tyler Graham and Jace Graham, Palo Petroleum Inc.; Greg Bretton, Joe Tagueri and Chad Counts, Running Foxes Petroleum; John Amerman, Colt Energy; Charlie Comstock; Phil Frick, AltaVista Energy; Paul Pettit, Zero-CO2 LLC; Bradley Kramer, Kansas Resource Development; Donna Thomas, Crowder College

With a quorum being present, the open session was brought to order by Mr. Madras at 10:04 a.m. Mr. Madras introduced State Oil and Gas Council and asked for guest introductions.

MINUTES OF THE JULY 17, 2012, MEETING

Mr. Gillman offered a motion to accept the minutes of the meeting held on July 17, 2012. Mr. Ransom seconded the motion. Motion carried.

UPDATE ON COLT ENERY INC INCOMPLETE VERSUS SHU-T-IN WELL STATUS

Mr. Vierrether gave an overview on the incomplete wells. Staff requested the Council to recognize the industry's position that these wells have an incomplete status; however, industry

must submit, within 30 days of commencement of drilling the incomplete well, a cement bond log with a completed form, to be developed by division. This is an interim measure until this issue is addressed by rule making. Mr. Gillman offered further information in regard to the incomplete wells and after discussion was made, Mr. Gillman stated the Council does not need to take action at this time.

WARRIOR OPERATING COMPANY INC. WELL SHUT-IN STATUS EXTENTION

Mr. Vierrether gave an overview on these incomplete wells. Staff requested the Council grant a twenty-four month extension of these wells to get them to a current status, and also grant a six month extension per 10 CSR 50-2.040(5) to take care of legal issues and put the wells back into production status. Warrior Operating Company, Inc. can ask for an additional extension at the April OGC meeting if necessary. Mr. Steinke, owner of Warrior Operating Company Inc., gave an overview of the legal issues with Mr. McNay, owner of LaQuinta Gas Pipeline; and Warrior's future plans for these wells. After discussion, Mr. Willoh recommended staff condition an extension upon receiving a successful Mechanical Integrity Test (MIT) on these wells, if an extension is granted. Mr. Bleakley made a motion to approve a six month extension with a successful MIT within the six months. Mr. Gillman seconded the motion. A roll call vote was taken as follows: Mr. Bleakley, yes; Mr. Gillman, yes; Mr. Madras, yes; Mr. Ransom, yes; Mr. Miles, yes. Motion carried.

UPDATE ON NEW CLEAN AIR ACT REQUIREMENTS

Mr. Vierrether gave a brief description of the issue which involves Environmental Protection Agency (EPA) reporting for hydraulically fractured and re-fractured gas wells. Ms. Bridges stated this agenda item is for information purposes only, at this time. Currently, this is a federal requirement, not a state requirement. Mr. Madras asked staff to continue to update Council on status of this issue.

OTHER BUSINESS

Mr. Madras asked if anyone had anything they would like to bring before the council.

Mr. Comstock, a landowner, asked if a lease can be sold or auctioned off. Legal counsel will research this issue and give Mr. Comstock contact information for future follow-up.

SCHEDULING AND LOCATION OF NEXT MEETING IN JANUARY 2013

After discussion, the council suggested January 15, 2013, for the next meeting. If there are conflicts, another date will be determined. Staff recommended the meeting be held in Rolla and Jefferson City.

ROLL CALL VOTE FOR NEXT CLOSED SESSION AND ADJOURNMENT OF MEETING

Mr. Ransom moved the State Oil and Gas Council meet in closed session before the next regular council meeting for the purpose of discussing matters protected from disclosure by law as provided for in Section 610.021, RSMo., including but not limited to: legal actions, pending litigation, and attorney-client privileged matters with the council attorney and to adjourn the meeting. Mr. Bleakley seconded the motion. Motion carried. Open meeting was adjourned at 11:21 a.m.